

IN THE SPECIFICATION

Please change Table 2 to read as shown below:

Table 2

Enterprise ElementSegment of Value		Valuation Methodology
• Excess Cash & Marketable Securities		GAAP
• Market Sentiment		Market Value* – (COPTOT + Σ Real option Values + Excess Cash)
• Total current-operation value (COPTOT):		Income Valuation
Financial Assets:	Cash & Marketable Securities (CASH)	GAAP
Financial Assets:	Accounts Receivable (AR)	GAAP
Financial Assets:	Inventory (IN)	GAAP
Financial Assets:	Prepaid Expenses (PE)	GAAP
Financial Assets:	Other Assets (OA)	Lower of GAAP or liquidation value
Elements of Value:	Production Equipment (PEQ)	If calculated value > liquidation value, then use system calculated value, else use liquidation value
Elements of Value:	<u>Intangible Elements (IE):</u> Customers, Employees, Vendors, Strategic Partnerships, Brands, Other Intangibles	
Elements of Value:	General Going Concern Value (GCV)	$GCV = COPTOT - CASH - AR - IN - PE - PEQ - OA - \Sigma IE$
• Real Options		Real option algorithms & industry real option allocation each based on relative strength of intangible elements
•Contingent Liabilities		Real option algorithms

* The user also has the option of specifying the total value